

HOUSE BILL 122

Unofficial Copy
C3

2004 Regular Session
(41r0942)

ENROLLED BILL

-- Health and Government Operations/Finance --

Introduced by **Delegates Morhaim, Elliott, Hammen, and Nathan Pulliam**
Nathan Pulliam, Benson, Boteler, Boutin, Bromwell, Costa, Donoghue,
Goldwater, Hurson, Kach, Mandel, McDonough, Murray, Oaks,
Pendergrass, Rosenberg, Rudolph, Smigiel, V. Turner, and Weldon

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Coverage for ~~Children~~ Young Adults**

3 FOR the purpose of requiring certain ~~health insurance policies and contracts that~~
4 ~~provide coverage for family members to provide coverage for certain children~~
5 ~~under certain circumstances; establishing conditions that a child must meet to~~
6 ~~be eligible for certain coverage under the policy or contract; permitting a child to~~
7 ~~qualify for certain coverage under certain circumstances; specifying that a~~
8 ~~child's spouse does not qualify for certain coverage; authorizing an insurer,~~
9 ~~nonprofit health service plan, or health maintenance organization to require~~
10 ~~certain proof; requiring an insurer, nonprofit health service plan, or health~~
11 ~~maintenance organization to pay the cost of certain proof; authorizing an~~
12 ~~insurer, nonprofit health service plan, or health maintenance organization to~~
13 ~~impose certain cost-sharing requirements under certain circumstances;~~
14 ~~authorizing an insurer, nonprofit health service plan, or health maintenance~~

1 organization to price certain coverage in a certain manner; requiring the
 2 insured, subscriber, employee, or member to request certain coverage for a child
 3 during certain time periods; providing for the application of this Act; defining a
 4 certain term; and generally relating to coverage for children under policies or
 5 contracts of health insurance insurers, nonprofit health service plans, and
 6 health maintenance organizations, within a certain time before a child who is
 7 covered under a parent's individual, group, or blanket health insurance policy or
 8 contract as a full-time student attains a certain age, to provide a certain
 9 notification and certain information; requiring the Maryland Insurance
 10 Administration to provide certain information on its website and in printed
 11 form, on request; and generally relating to information regarding insurance
 12 coverage for adult children.

13 BY adding to
 14 Article - Insurance
 15 Section 15-416 and 15-1313
 16 Annotated Code of Maryland
 17 (2002 Replacement Volume and 2003 Supplement)

18 BY adding to
 19 Article - Health - General
 20 Section 19-706(zz)
 21 Annotated Code of Maryland
 22 (2000 Replacement Volume and 2003 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article - Insurance**

26 15-416.

27 ~~(A) IN THIS SECTION, "CONTINUOUSLY INSURED" MEANS THAT AN~~
 28 ~~INDIVIDUAL HAS BEEN INSURED UNDER A HEALTH INSURANCE POLICY OR~~
 29 ~~CONTRACT WITHOUT A BREAK IN COVERAGE OF MORE THAN 62 DAYS.~~

30 ~~(B) THIS SECTION APPLIES TO:~~

31 ~~(1) EACH INDIVIDUAL HEALTH INSURANCE POLICY THAT:~~

32 ~~(I) PROVIDES COVERAGE ON AN EXPENSE INCURRED BASIS; AND~~

33 ~~(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE~~
 34 ~~INSURED;~~

35 ~~(2) EACH GROUP HEALTH INSURANCE POLICY THAT:~~

1 (I) PROVIDES COVERAGE ON AN EXPENSE INCURRED BASIS FOR
2 EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION OR
3 UNIONS; AND

4 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF A COVERED
5 EMPLOYEE OR MEMBER; AND

6 (3) EACH INDIVIDUAL SERVICE OR INDEMNITY CONTRACT THAT:

7 (I) IS ISSUED BY A NONPROFIT HEALTH SERVICE PLAN; AND

8 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE
9 SUBSCRIBER.

10 (C) EACH POLICY OR CONTRACT SUBJECT TO THIS SECTION SHALL PROVIDE,
11 ON REQUEST OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER, HEALTH
12 INSURANCE BENEFITS TO A CHILD OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR
13 MEMBER UNTIL THE CHILD IS 30 YEARS OF AGE.

14 (D) (1) TO BE ELIGIBLE FOR COVERAGE UNDER SUBSECTION (C) OF THIS
15 SECTION, A CHILD MUST BE CONTINUOUSLY INSURED FOR AT LEAST THE PREVIOUS
16 2 YEARS.

17 (2) A CHILD MAY QUALIFY FOR COVERAGE UNDER SUBSECTION (C) OF
18 THIS SECTION REGARDLESS OF WHETHER THE CHILD:

19 (I) RESIDES WITH THE INSURED, SUBSCRIBER, EMPLOYEE, OR
20 MEMBER;

21 (II) IS A DEPENDENT OF THE INSURED, SUBSCRIBER, EMPLOYEE,
22 OR MEMBER; OR

23 (III) IS MARRIED.

24 (E) IF A CHILD IS MARRIED, THE COVERAGE REQUIRED UNDER THIS SECTION
25 SHALL BE AVAILABLE ONLY TO THE CHILD OF THE INSURED, SUBSCRIBER,
26 EMPLOYEE, OR MEMBER AND NOT TO THE CHILD'S SPOUSE.

27 (F) (1) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
28 MAINTENANCE ORGANIZATION MAY REQUIRE PROOF THAT THE CHILD TO BE
29 COVERED UNDER THE POLICY OR CONTRACT:

30 (I) IS THE CHILD OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR
31 MEMBER;

32 (II) IS LESS THAN 30 YEARS OF AGE; AND

33 (III) HAS BEEN CONTINUOUSLY INSURED FOR AT LEAST THE
34 PREVIOUS 2 YEARS.

1 (2) ~~IF THE INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH~~
2 ~~MAINTENANCE ORGANIZATION REQUIRES PROOF UNDER THIS SUBSECTION, THE~~
3 ~~INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE~~
4 ~~ORGANIZATION SHALL PAY THE COST OF THE PROOF.~~

5 (G) ~~THE COVERAGE REQUIRED TO BE OFFERED UNDER THIS SECTION MAY~~
6 ~~BE:~~

7 (1) ~~SUBJECT TO A COPAYMENT OR COINSURANCE REQUIREMENT OR~~
8 ~~DEDUCTIBLE THAT AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH~~
9 ~~MAINTENANCE ORGANIZATION IMPOSES FOR SIMILAR COVERAGES UNDER THE~~
10 ~~SAME POLICY OR CONTRACT; AND~~

11 (2) ~~PRICED AT A RATE APPROPRIATE TO THE COST OF THE COVERAGE~~
12 ~~BASED ON UNDERWRITING STANDARDS.~~

13 (H) ~~AN INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER WHO ELECTS TO~~
14 ~~REQUEST THE COVERAGE SPECIFIED UNDER SUBSECTION (C) OF THIS SECTION~~
15 ~~SHALL REQUEST THE COVERAGE:~~

16 (1) ~~FOR A GROUP HEALTH INSURANCE POLICY, DURING AN OPEN~~
17 ~~ENROLLMENT PERIOD PROVIDED FOR UNDER THE POLICY; OR~~

18 (2) ~~FOR AN INDIVIDUAL HEALTH INSURANCE POLICY OR INDIVIDUAL~~
19 ~~SERVICE OR INDEMNITY CONTRACT, WITHIN 30 DAYS BEFORE THE ANNIVERSARY~~
20 ~~DATE OF THE POLICY OR CONTRACT.~~

21 (A) ~~THIS SECTION APPLIES TO INSURERS, NONPROFIT HEALTH SERVICE~~
22 ~~PLANS, AND HEALTH MAINTENANCE ORGANIZATIONS THAT DELIVER OR ISSUE FOR~~
23 ~~DELIVERY IN THE STATE INDIVIDUAL, GROUP, OR BLANKET HEALTH INSURANCE~~
24 ~~POLICIES AND CONTRACTS.~~

25 (B) ~~AT LEAST 60 DAYS BEFORE A CHILD AGE 19 AND OLDER WHO IS COVERED~~
26 ~~UNDER A PARENT'S INDIVIDUAL, GROUP, OR BLANKET HEALTH INSURANCE POLICY~~
27 ~~OR CONTRACT AS A FULL-TIME STUDENT ATTAINS THE LIMITING AGE SPECIFIED IN~~
28 ~~THE POLICY OR CONTRACT FOR A FULL-TIME STUDENT, AN ENTITY SUBJECT TO~~
29 ~~THIS SECTION SHALL:~~

30 (1) ~~NOTIFY THE PARENT OF THE IMPENDING LOSS OF THE CHILD'S~~
31 ~~COVERAGE; AND~~

32 (2) ~~PROVIDE INFORMATION REGARDING:~~

33 (I) ~~ANY OTHER POLICIES THAT MAY BE AVAILABLE TO THE CHILD~~
34 ~~FROM THE ENTITY; AND~~

35 (II) ~~THE AVAILABILITY OF ADDITIONAL INFORMATION FROM THE~~
36 ~~ADMINISTRATION REGARDING INDIVIDUAL POLICIES IN THE STATE.~~

1 15-1313.

2 THE ADMINISTRATION SHALL PROVIDE ON ITS WEBSITE AND IN PRINTED FORM
3 ON REQUEST A LIST OF CARRIERS, INCLUDING CONTACT INFORMATION FOR EACH
4 CARRIER, THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE.

5 **Article - Health - General**

6 19-706.

7 (ZZ) THE PROVISIONS OF § 15-416 OF THE INSURANCE ARTICLE APPLY TO
8 HEALTH MAINTENANCE ORGANIZATIONS.

9 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to~~
10 ~~all policies and contracts issued, delivered, or renewed in the State on or after~~
11 ~~October 1, 2004. Any policy or contract in effect before October 1, 2004, shall comply~~
12 ~~with the provisions of this Act no later than October 1, 2005.~~

13 ~~SECTION 3. 2. AND BE IT FURTHER ENACTED, That this Act shall take~~
14 ~~effect October 1, 2004.~~